

SUMMARY

The Office of Natural Gas & Petroleum Import & Export Activities prepares quarterly reports showing natural gas import and export activity. Companies are required, as a condition of their authorizations, to file quarterly reports. This report is for the second quarter of 2002 (April through June).

Attachment A shows the percentage of takes to maximum firm contract levels and the weighted average per unit price for each of the long-term importers during the 5 most recent quarters.

Attachment B shows volumes and prices of gas purchased by long-term importers and exporters during the past 12 months.

Attachment C shows volume and price data for gas imported on a short-term/spot market basis.

Attachment D shows the gas exported on a short-term/spot market basis to Canada and Mexico.

Second Quarter Highlights: Changes in activity compared to the second quarter of 2001.

Canadian Imports	897.6	Up 1.3%
LNG Imports	71.1	Down 6%
Mexican Imports	-0-	
Total Imports	968.7	Up 0.5%
Canadian Exports	43.0	Up 20.7%
Mexican Exports	67.0	Up 153%
Japanese Exports	14.9	Steady
Total Exports	124.9	Up 62%

Puerto Rican Imports	6.2	Up 11%
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The Puerto Rican imports are shown in the tables above and on the next page, and in Attachment B-1. These imports are not reflected in any of the totals found on this page, as the summaries are only for trade pertaining to the continental U.S.

During the second quarter, 5 importers of LNG (BG LNG Services, LLC; CMS Marketing, Services and Trading Co.; Distrigas Corp.; El Paso Global Gas (Cayman) Co.; and Shell NA, LNG, Inc.) brought in 31 cargoes from 5 countries (Algeria, Brunei, Malaysia, Qatar and Trinidad), totaling 71.1 Bcf. This compares to 34 cargoes and 75.7 Bcf in the second quarter of 2001, and 10 cargoes and 25.8 Bcf last quarter.

Second Quarter Data: Comparing second quarter 2002 to second quarter 2001 data, total imports under long-term contracts decreased. **Natural gas imports under all long-term contracts** totaled 194.7 Bcf, compared to 236.7 Bcf in the second quarter of 2001. **Long-term Canadian imports** decreased 15.5 percent (180.2 v. 213.2 Bcf). The average price of this gas was \$3.44 per MMBtu, which is 61 cents or 21.5 percent higher than the preceding quarter and \$1.11 or 24 percent lower than the second quarter of 2001. **Long-term LNG imports** decreased 38.3 percent compared to the second quarter 2001 (14.5 v. 23.5 Bcf). Distrigas imported 14.5 Bcf from Trinidad at an average price of \$2.97 per MMBtu. Duke did not import any LNG during the second quarter of 2002.

During the second quarter, 92 companies used **short-term authorizations to import** 774.0 Bcf, which is a 6.4 percent increase over the second quarter of 2001 (727.2 Bcf). Of this total, 717.4 Bcf was **imported from Canada** at an average price of \$3.06 per MMBtu, compared to 672.9 Bcf at \$4.74 in the second quarter of 2001, and 764.4 Bcf at \$2.41 in the previous quarter. There were no **imports from Mexico** in the second quarter of 2002, compared to 2.1 Bcf at \$5.10 in the second quarter of 2001 and 1.8 Bcf at \$2.36 last quarter. **Short-term LNG imports** totaled 56.6 Bcf for the quarter, compared to 11.2 Bcf last quarter and 52.2 Bcf in the second quarter of 2001. Distrigas imported 8.7 Bcf from Trinidad at an average price of \$3.03 per MMBtu. BG LNG imported 13.9 Bcf from Algeria at \$3.07 and 22.1 Bcf from Qatar at \$3.03. El Paso imported 4.6 Bcf from Trinidad at \$3.11. CMS imported 2.4 Bcf from Qatar at \$2.60 and 2.4 Bcf from Malaysia at \$3.13. Shell imported 2.4 Bcf from Brunei at \$2.82.

Short-term imports from Canada by point of entry:

Point of Entry	% of Imports	Wt. Avg. \$
Port of Morgan, MT	27	\$3.01
Eastport, ID	20	\$2.87
Sherwood, ND	17	\$3.12
Sumas, WA	10	\$2.81
Noyes, MN	9	\$3.11
Niagara Falls, NY	7	\$3.49
Waddington, NY	3	\$3.49
Calais, ME	3	\$3.38
Grand Island, NY	2	\$3.44
Other	2	\$3.05

In addition, 23 **short-term export** authorizations were used to export 110 Bcf. Seventeen companies exported 43.0 Bcf to Canada at an average price of \$3.23 per MMBtu; 6 companies exported 67.0 Bcf to Mexico at \$3.30 and 14.9 Bcf of LNG was exported to Japan at \$3.71 (delivered).

Year to Date Data: Comparing the first 6 months of 2002 with the first 6 months of 2001, total gas imports decreased 3.0 percent (1,966.4 v. 2,028.7 Bcf) and total gas exports increased 40.4 percent (227.8 v. 162.3 Bcf). Canadian imports decreased by 14.4 Bcf or 0.8 percent (1,867.7 v. 1,882.1 Bcf); Mexican imports decreased 753 percent (1.8 v. 7.3 Bcf); and LNG imports decreased 30.4 percent (96.9 v. 139.3 Bcf). Exports to Canada increased 8.4 percent (89.4 v. 82.5 Bcf) and exports to Mexico increased 117.6 percent (108.6 v. 49.9 Bcf). LNG exports to Japan remained constant (29.8 v. 29.9 Bcf).

This quarter's Focus Report is a special feature entitled, "Liquified Natural Gas: Issues for the Industry." It was written by Sara Banaszak who is an economist with this office. The Quarterly Report and future revisions to the report will reside on our Electronic Bulletin Board at (202) 586-7853 and on the Fossil Energy Web Site at <http://www.fe.doe.gov> (click on Gas Regulations). Any questions or comments about this report should be directed to Yvonne Caudillo at (202) 586-4587 or by E-mail at yvonne.caudillo@hq.doe.gov.